



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 17, 1999

S. 296

Federal Research Investment Act

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on May 5, 1999*

SUMMARY

S. 296 would authorize appropriations for fiscal years 2000 through 2010 for civilian research and development (R&D) activities at 15 agencies. Instead of authorizing separate amounts for individual agencies or programs, the bill would establish a single annual lump-sum authorization covering the R&D activities at the designated agencies, subject to certain guidelines on the allocation of the funding. The bill would authorize the appropriation of \$39.8 billion for these activities for 2000 and would increase the total amount authorized by 5.5 percent a year for the following 10 years. Other provisions would direct agencies to develop and implement methods of evaluating R&D programs, based in part on a \$600,000 study to be done by the National Academy of Sciences (NAS).

Assuming appropriation of the authorized amounts, CBO estimates that implementing the bill would cost a total of \$184 billion over the 2000-2004 period and an additional \$394 billion after 2004. The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. S. 296 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 296 is shown in Table 1. The costs of this legislation fall within budget functions 250 (general science, space, and technology), 300 (natural resources and the environment), 350 (agriculture), 370 (commerce and housing credit), 400 (transportation), 500 (education, training, employment, and social services), 550 (health), and 700 (veterans benefits and services).

Table 1. Estimated Budgetary Impact of S. 296

	By Fiscal Year, in Millions of Dollars					
	1999	2000	2001	2002	2003	2004
SPENDING SUBJECT TO APPROPRIATION						
R&D Spending Under Current Law						
Budget Authority ^a	37,486	0	0	0	0	0
Estimated Outlays	35,445	20,323	5,064	1,952	560	37
Proposed Changes						
Authorization Level	0	39,791	41,980	44,290	46,720	49,290
Estimated Outlays	0	17,480	34,977	40,343	44,081	47,061
R&D Spending Under S. 296						
Authorization Level ^a	37,486	39,791	41,980	44,290	46,720	49,290
Estimated Outlays	35,445	37,803	40,040	42,295	44,641	47,098

a. The 1999 level is based on the Office of Management and Budget's estimate of the funding for R&D activities at the designated agencies for that year. The 1999 total includes \$325 million for R&D at the Department of Transportation that was provided as contract authority (a form of direct spending).

BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes that the authorized amounts will be appropriated for each year and allocated among agencies and programs according to the distribution of funding for the civilian R&D programs at the designated agencies in 1999. This estimate also assumes that the NAS study will be completed during fiscal year 2001. Table 2 shows the amounts allocated for R&D for the 15 agencies in 1999. These data suggest that the rate of spending for the bill's lump-sum authorization levels would largely be determined by the activities of the National Institutes of Health, the National Aeronautics and Space Administration, the Department of Energy, and the National Science Foundation.

Table 2. Estimated Budget Authority for 1999 for R&D Activities Authorized by S. 296
(Millions of dollars)

National Institutes of Health	15,013
National Aeronautics and Space Administration	9,714
Department of Energy (civilian R&D)	3,806
National Science Foundation	2,721
Department of Agriculture	1,796
Veterans Administration	674
Environmental Protection Agency	669
Department of Transportation	604
National Oceanic and Atmospheric Administration	600
Department of the Interior	517
National Institute of Standards and Technology	468
Centers for Disease Control	438
Department of Education	224
Smithsonian Institution	138
Food and Drug Administration	<u>104</u>
Total	37,486

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 296 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Currently, about \$14 billion of the research and development budgets of the agencies affected by this bill goes to academic institutions, including public universities.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill would impose no new private-sector mandates as defined in UMRA.

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